No. 14711

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

THE COLEMAN COMPANY, INC., a Corporation,
Appellant,

vs.

HOLLY MANUFACTURING COMPANY, a corporation,
Appellee.

MOTION TO REMAND FOR FURTHER TRIAL AND PETITION FOR REHEARING

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MOTION TO REMAND FOR FURTHER TRIAL

COMES NOW appellant in the above entitled cause and respectfully requests that this Court enter an order remanding this case for further trial by the court below upon the ground of substantial evidence newly discovered by appellant subsequent to this Court's decision herein which prima facie vitiates or, at the very least, seriously threatens validity of appellee's patent, all in accordance

with *Gairing Tool Co.* v. *Eclipse Interchangeable Counterbore Co.*, 48 F. 2d 73 (C. C. A. 6), and related authorities, in which connection appellant respectfully urges:

I.

The Nature and Importance of Appellant's Newly Discovered Evidence

Subsequent to the decision rendered herein on April 10, 1956, appellant discovered vital new evidence comprising a March 28, 1939, British Patent to Darby, No. 502,945, a copy of which patent is attached to the Affidavit of Frederick W. Lyon separately filed with this Court in connection with the instant motion.

The patent here in suit was filed April 23, 1951. The Darby patent is prior art by more than one year. If the Darby patent anticipates the patent in suit — and appellant submits it does so — perforce it invalidates appellee's patent.

This Court's opinion seemingly predicates validity of appellee's patent upon the theory that it was the first to adapt the "economizer" or secondary heater principle, revealed by ancient "fireplace" art, to current urban heating conditions by *combining* a primary and a secondary heater *into a single integrated, compact unit utilizing gaseous fuel,* and, therefore, readily installable in modern homes:[1]

> "The patent in suit is . . . so designed as to be easily fitted into the wall of a room . . . Outwardly, the entire *integrated device* resembles . . ." (p. 3)

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1. Quotations are from the pages of this Court's original opinion, with italics added by us.

"The McLeod patent (1920) . . . utilized as its source of heat the conventional open-faced *fireplace* of that period . . . *burning solid fuel* such as wood or coal." (p. 9)

"In the Browell patent (1882) a *fireplace* is also utilized as a source of heat." (p. 10)

"The Hamilton device . . . appears to be an open-faced *fireplace* of the ordinary character in common use in that period." (p. 12)

"From the entire record it appears that a 'heat exchanger' or 'economizer' of this peculiar construction and arrangement has never been embodied *in any type of mechanical wall heater apparatus* prior to its application and use in the Holly device. The earlier patented devices all of which were in evidence cannot be said to embody in any material way the dual heat-passing functional operation accomplished by the use of the upper box 'economizer' *integrated into the complete Holly device.* In our opinion . . . the Holly *combination* . . . spells out . . . a new and useful improvement in wall heaters *fired with gaseous fuel* . . ." (p. 15)

". . . the *compact* wall *combination* in suit . . ." (p. 15)

". . . the Holly patentees definitely claimed the structure and utilization of this new 'economizer' assembly *as an essential and integral part of their binary device* . . . and . . . as constituting a new and necessary element and part of the *entire mechanism,* and one essential to the successful performance of the functions, purpose and overall use for which the *combination* was designed." (p. 16)

". . . the invention of the patent in suit . . . represents a new and useful improvement in wall heaters *fired with gaseous fuel* . . ." (p. 19)

"In our view these contentions as to anticipation are adequately refuted by the physical construction and operation *of these old fireplace devices* to which we have previously referred at length." (p. 21)

"The three prior *fireplace* patents . . . represent earlier concepts of heat conveyance *through the use of such fireplaces,* but in devising their appartus [sic] the Holly patentees clearly appear to have parted company with the basic design portrayed by these concepts to create something new in overall construction and functional operation — a *compact unitary* wall device which could easily be adapted to the modern pattern and mode of living under conditions of urban life (*or where gas would be available*) and where an effective and reliable single-room *gas burning* heater device would be highly desirable and certainly more useful." (p. 23)

The Darby patent, filed in 1939, does not merely exemplify the hoary secondary heater or "economizer" art as applied to wood-burning fireplaces in masonry. On the contrary, it describes an economizer embodying the same principles utilized by appellee, *for use in combination with a modern gas-fired heater* (or with any other type of primary heating element):

"The radiator can be used in combination with a gas, oil, electric or solid fuel fire already provided with primary heat radiating means, in which case the radiator forming the subject of this invention will constitute secondary heat radiating means, or the in-

> vention can be used in combination with a heating element or fire of any kind having no primary heat radiating means." (Darby Patent No. 502,959, p. 1, col. 1, lines 45-54, both inclusive)

This patent clearly discloses a heat exchanger or economizer designed and adapted to be combined with *any* gas heater for identically the same purposes as those described by the patent in suit. In this connection, it must be remembered that the lower or primary heater of both appellant and appellee is admittedly old, being well known and sold in commercial quantities long prior to the alleged invention of the patent in suit. In fact, appellant's lower or primary wall heater (which, when — but only when — it is combined with appellant's "economizer", has been held by this Court to infringe appellee's patent) had been marketed in precisely its present form long before the patent in suit was filed (e. g., see R-159-160, 320-324). Accordingly, there can be no invention in combining a secondary heater or economizer with a primary gas-fired wall heater in view of the teaching of the Darby patent, which unambiguously asserts it is a "secondary heat radiating means" adapted for use *"in combination with"* any type of *gas* heater — such as, necessarily, appellant's and appellee's old lower heating unit. The Darby patent clearly demonstrates as old the very *combination* of secondary economizer and lower gas heater which this Court assumed to be novel in positing validity of appellee's patent thereon.

In the foregoing connection, at page 6 of its opinion this Court emphasizes:

> "The specifications [of appellee's patent] also recite that 'the structure of the invention is such that the *hotter* air is brought out into the room at an intermediate level while *cooler* but still warm air is introduced into the upper part of the room near the ceiling by the 2nd stage warm air discharged thus reducing stratification and increasing air circulation in the room.' "

From the drawings and description of the Darby patent, the "secondary heat radiating means" is mounted above and combined with any gas heater — as, for example, appellant's or appellee's lower heater. The products of combustion then pass up into and through the Darby radiator or "hollow body 30".[2] Additional air passes up from around the lower heater and into openings or lowers 36, and around the exterior of the radiator 30, and out opening 35. This provides not merely an intermediate grill for releasing the primary heat from the lower heater, but, in addition, it supplies a second grill opening 35 higher up for the second stage warm air discharge. No gas is burned in Darby's secondary heater or economizer. The Darby structure will clearly reduce stratification and increase air circulation precisely as does appellee's instant device.

The Darby patent likewise points up the materiality of the other prior art patents (McLeod, Browell, and Hamilton) commented upon by this Court in its opinion. Thus, the Darby patent describes a secondary heater built

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2. Numbers referred to in this paragraph are those in the Darby Patent specification and drawings.

as a unit for use over and in combination with a lower gas heater *or over a fireplace of any description*:

> ". . . the invention can be used in combination with a gas, oil, electric *or solid fuel fire* . . . or . . . in combination with a heating element *or fire of any kind* . . ." (Darby patent, *supra;* our emphasis)

Appellant believes the Darby patent discloses the precise element this Court considered to be new and inventive in the patent in suit, more particularly, the combination and integration of a secondary heater or economizer with a lower gas-fired heater, and that, under the authorities hereinafter adduced, this cause should therefore be remanded to the lower court to determine and make findings as to what the Darby patent describes, wherein the patent in suit presents new and novel differences from the Darby structure, whether such differences, if any, amount to invention; and, finally, if inventive differences are found, to redetermine the issue of infringement by finding whether or not such differences are incorporated in appellant's heater-economizer combination.

II.

Public Interest and Clear Precedent Sustain Appellant's Motion to Remand.

The validity of any patent involves the *public interest.* By the same token, the issue here under discussion encompasses considerations far beyond and superior to the private rights of the present litigants. Thus, in *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.,* 322 U. S. 238, 246, 88 L. ed. 1250, 64 S. Ct. 997, the United States Supreme Court concisely stated:

> "This matter does not concern only private parties. There are issues of great moment to the public in a patent suit. Mercoid Corp. v. Mid-Continent Invest. Co. decided January 3, 1944 (320 US 661, ante, 376, 64 S Ct 268); Morton Salt Co. v. G. S. Suppiger Co. 314 US 488, 86 L ed 363, 62 S Ct 402 . . ."

In *Mercoid Corp.* v. *Mid-Continent Investment Co.*, 320 U. S. 661, 670, 88 L. ed. 376, 64 S. Ct. 268, the Supreme Court, in a patent infringement proceeding, emphasized the policy considerations underlying requests for equitable relief in such litigation, saying:

> "And the determination of that policy is not 'at the mercy' of the parties (id. 191 US p. 498, 48 L ed 276, 24 S Ct 164) nor dependent on the usual rules governing the settlement of private litigation. 'Courts of equity may, and frequently do, go much farther both to give and withhold relief in furtherance of the public interest than when only private interests are involved.' "

To the same effect is the recent decision of that court in *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Mach. Co.*, 324 U. S. 806, 815, 89 L. ed. 1381, 65 S. Ct. 933:

> "Moreover, where a suit in equity concerns the public interest as well as the private interests of the litigants this doctrine [referring to the equitable principle of 'unclean hands' as appropriate in a patent infringement action] assumes even wider and more significant proportions. For if an equity court properly uses the maxim to withhold its assistance in such a case it not only prevents a wrongdoer from enjoying the fruits of his transgression but averts an injury to

the public. The determination of when the maxim should be applied to bar this type of suit thus becomes of vital significance. (Citation.)

"In the instant case Automotive has sought to enforce several patents and related contracts. Clearly these are matters concerning far more than the interests of the adverse parties. The possession and assertion of patent rights are 'issues of great moment to the public.' "

This Court is, of course, invested with broad statutory authority to reopen this case and remand the proceedings to the court below as sought by appellant's instant motion. See *Bank of China* v. *Wells Fargo Bank & Union Trust Co.*, 190 F. 2d 1010 (C. C. A. 9); and see the basic statute itself, being Section 2106 of Title 28 of the United States Code, which enacts:

"The Supreme Court or any other court of appellate jurisdiction may affirm, modify, vacate, set aside or reverse any judgment, decree, or order of a court lawfully brought before it for review, and may remand the cause and direct the entry of such appropriate judgment, decree, or order, or require such further proceedings to be had as may be just under the circumstances."

In this same connection, it is rudimentary that a district court's judgment in a patent case which, as the judgment at bar, is final except for an accounting, nevertheless remains interlocutory in nature until ultimate determination of the accounting feature. Among several United States Supreme Court decisions so holding is *John Simmons Co.* v. *Grier Brothers Co.*, 258 U. S. 82, 89, 66 L. ed. 475, 42 S. Ct. 196:

> "The decree of July 24, 1941, although following a 'final hearing', was not a final decree. It granted to plaintiffs a permanent injunction upon both grounds, but an accounting was necessary to bring the suit to a conclusion upon the merits . . . *As to the claim of patent infringement, the decree evidenced a quasi definitive decision adverse to plaintiffs, which, if nothing occurred to prevent, would in due course be carried into the final decree. But* it did not constitute a separation of the cause, nor dismiss defendant from the jurisdiction for any purpose; *necessarily this decision remained in abeyance until the cause should be ripe for final decree;* there was nothing to take the case out of the ordinary rule that there can be but one final decree in a suit in equity." (Our emphasis)

Under this test it is immaterial that an interlocutory order fully adjudicates most issues in controversy, including title and infringement, so long as even one question remains open for future disposition. It nonetheless remains interlocutory since it has not finally terminated the litigation. In addition to *John Simmons Co.* v. *Grier Brothers Co., supra,* see *General Motors Corp.* v. *Franklin Die Casting Co.,* 41 F. Supp. 340, 342-343 (N. D. Ill.), which quotes from and follows the *Grier Brothers* opinion, and adds:

> "A judicial inquiry before a Master is still necessary in order to ascertain the amount of damages to be awarded before a final decree may be entered."
>
> " '. . . a final decree is one that terminates the litigation, and it is immaterial that an interlocutory order for all practical purposes finally adjudicates most important points, title and infringement.' "

"In *Bassick Mfg. Co.* v. *Larkin Automotive Parts Co.*, D. C. 23 F. 2d 92, 93, Judge Lindley said: 'Consequently, being a decree awarding a perpetual injunction in a patent suit, but including an order of reference to a master to ascertain the damages suffered because of the infringement, it is unquestionably only interlocutory, and not final, * * *.'"

See, also, *Fidelity Trust Co.* v. *Board of Education*, 174 F. 2d 642 (C. C. A. 7); *American United Life Ins. Co.* v. *Haines City, Fla.*, 117 F. 2d 574 (C. C. A. 5); and *Kliaguine* v. *Jerome*, 91 F. Supp. 809 (E. D. N. Y.).

Accordingly, the judgment affirmed by this Court herein remains interlocutory, since, as this Court itself points out, the court below merely:

". . . granted an injunction prohibiting further infringement of the claims *and ordered an accounting for damages.*" (Opinion, pp. 2-3; our italics)

". . . [and] reserved decision on any prayer for increased damages or attorney's fees until after determination of appellee's damages." (Opinion, p. 8)

Moreover, even apart from the general principles aforesaid, the relief requested by appellant is squarely countenanced by an authoritative line of federal decisions dealing specifically with the precise issue posed by the instant motion. The leading case on this proposition is *Gairing Tool Co.* v. *Eclipse Interchangeable Counterbore Co.*, 48 F. 2d 73 (C. C. A. 6), where the court wrote:

"Appellant, defendant below, files a petition for rehearing upon the ground of newly discovered evidence of prior public use . . . Although this petition

is supported by affidavits and drawings, such evidence is not of the type which we may consider upon an appeal, it not having been presented to the court below, and it is therefore incompetent to support a petition for rehearing as such. However, we are at liberty to consider such petition for a rehearing as an application for leave to file a petition in the District Court to reopen the case, and to remand the cause to the District Court for that purpose. This action will be taken only if the newly discovered evidence is of that substantial character which seems, prima facie, to seriously threaten the validity of the patent, and if it does not appear upon the showing made that the petitioner was guilty of laches in the discovery and presentation of such evidence to the court.

"In the present instance . . . the drawings and affidavits constitute substantial evidence seriously threatening the validity of the patent; but whether or not such evidence is in truth sufficient to defeat the patent is primarily a question for the District Court upon a more complete presentation of the facts." (p. 75)

"A reopening would be distinctly in furtherance of justice, especially since publicity has been given to the alleged prior use. If such evidence be sufficient to avoid a decree of injunction and accounting against other manufacturers, the appellant should not be the only manufacturer so enjoined. However, the application comes exceedingly late in the litigation, after trial in the District Court, and after hearing and decision in the Court of Appeals, and it is therefore discretionary with the court to impose terms. (Citations)

"It is accordingly ordered herein that the mandate be stayed, the decree of affirmance heretofore

entered herein be suspended, that leave be granted to file a petition in the District Court to reopen this cause, and that the cause be remanded to the District Court for the purpose of entertaining such petition; but should such petition to reopen be granted, it is further ordered that appellant pay to appellee the sum of $2,500, expenses and counsel fees, as a condition to securing such relief." (p. 76)

This principle was followed by this Court in *Gratiot* v. *Farr Company,* No. 13352, by its order of May 27, 1953 (not officially reported), as well as by numerous other federal decisions. See, for example, *Marconi Wireless Telegraph Company of America* v. *United States,* 320 U. S. 1, 47, 87 L. ed. 1731, 63 S. Ct. 1393, where a remand for consideration of newly presented evidence was ordered. And see *Zachos* v. *Sherwin-Williams Co.*, 166 F. 2d 79, 80-81 (C. C. A. 5), where, upon motion for rehearing of the Court's opinion, it was held per curiam:

"The ground for rehearing now pressed is that the case in the district court should have been reopened on the timely motion there made to receive newly discovered evidence as to use by others of the patented device more than two years prior to the application of Holmes . . ."

"The motion ought not to work a general new trial, but there is much good sense in the position taken in *Gairing Tool Co.* v. *Eclipse, supra,* that it is better now to investigate fully the matter of anticipation than to allow other infringers of Holmes, who now by this record are informed of the claimed anticipation, to establish it and destroy the Holmes patent as to themselves and the world except Zachos, who

would remain bound by it as a matter of res judicata. A patent is a monopoly granted by the public and is of public interest, and ought to exist against all or none . . . we order that our judgment of affirmance be suspended and that no mandate issue on it; and direct that the district court hear further evidence solely on the issue of prior use, and make findings of fact and conclusions of law thereon, and cause the same to be certified to this court to be considered by us as part of the record on this appeal. The parties will be thereafter given further hearing in this court."

See, also, *D. W. Bosley Co. et al.* v. *Wirfs,* 20 F. 2d 629 (C. C. A. 8); *Firestone Tire & Rubber Co.* v. *Seiberling,* 245 Fed. 937 (C. C. A. 6); and *Cincinnati Traction Co.* v. *Pope,* 212 Fed. 719 (C. C. A. 6).

It is submitted, therefore, that the remand requested by appellant is fully supported by clear precedent and should be granted.

III.

The Record Does Not Convict Appellant of Laches With Respect to Its Newly Discovered Evidence

The affidavit of Frederick W. Lyon, independently filed with this Court in connection with the instant motion, demonstrates that neither appellant nor its counsel had any knowledge of the Darby prior art patent before April 12, 1956, when the opinion was rendered herein, but that the first knowledge acquired by appellant or its counsel regarding the Darby patent was on April 19, 1956. The affidavit further demonstrates that three separate searches, each of them believed to be exhaustive, were

undertaken by appellant prior to the trial below, but that none of them revealed the Darby patent which was discovered, quite by accident, on April 19, 1956, in the course of an independent search for material wholly unrelated to the suit at bar.

Under the circumstances, and particularly in view of the public interest involved in the present issue, we submit there is nothing in the instant record which could justify the imputation of laches to appellant (*Gairing Tool Co.* v. *Eclipse Interchangeable Counterbore Co., supra,* 48 F. 2d at 76), and that, per contra, appellant has clearly demonstrated it did not possess, and, notwithstanding the exercise of reasonable diligence, was unable to obtain knowledge of the significant Darby patent prior to April 19, 1956. The timeliness of appellant's present motion is further fortified by the fact that until the April 12, 1956, decision of this Court appellant did not anticipate that the prior art theretofore adduced by it would be rejected merely because it pertained to fireplaces, and did not anticipate the importance accorded by this Court to the *combination* of a secondary heat exchanger or economizer with a primary gas-fired heater such as the Darby patent exemplifies. Compare *Zechos* v. *Sherwin-Williams Co., supra,* 166 F. 2d at 81:

> "A patent is a monopoly granted by the public and is of public interest, and ought to exist against all or none. Because of the misconception of Zachos in the trial that his device did not infringe, and therefore did not anticipate, and because of the failure really to try the issue of prior use, we order that our judgment of affirmance be suspended . . ."

For the reasons and upon the authorities aforesaid, it is respectfully requested that this cause be remanded to the court below for further trial and determination by reason of the newly discovered Darby patent.

PETITION FOR REHEARING

COMES NOW appellant in the above entitled cause and respectfully requests that this Court grant a rehearing of this controversy, for the following reasons: (1) a key portion of this Court's decision is based upon a misconception of appellant's structures; (2) combining a wall heater and an economizer in a compact unitary structure is not a *result* satisfying the requirements of *The Great Atlantic & Pacific Tea Company* v. *Supermarket*, 340 U. S. 147, 95 L. ed. 162, 71 S. Ct. 127 (hereinafter referred to as "the A & P decision"); and (3) the structure asserted by appellee to be the novel and unique feature — namely, and exclusively, the *source* of the air which is introduced into the bottom of its economizer — has no bearing upon "compactness" or any of the other features stressed by this Court in sustaining appellee's invention, and has not been demonstrated or shown to yield any new or unexpected results as required by the A & P decision.

I.

A Key Portion of the Decision of This Court Is Based Upon a Misconception of the Structures Involved

Apparently recognizing the difficulty of placing a finger upon any identifiably new or unexpected result flowing from the combining of a wall heater and an economizer as set out in the Holly patent, this Honorable Court has in its opinion formulated a new idea as to the contribution of the Hollingsworth et al. patent. The Court

indicates that the patent evinces an advance over prior structures in that the patented device is a compact unitary wall heater device useful with gas and adapted to modern living, this contribution being defined on page 23 of the opinion as follows:

> "the Holly patentees clearly appear to have parted company with the basic design portrayed by these concepts to create something new in overall construction and functional operation — a compact unitary wall device which could easily be adapted to the modern pattern and mode of living under conditions of urban life (or where gas would be available) and where an effective and reliable single-room gas-burning heater device would be highly desirable and certainly very useful."

Again, on page 15 of its opinion this Court suggests that "surprising consequences" may flow from the fact that the heater and economizer are brought together into a compact wall combination forming an integrated unit or structure. And see quotations from the opinion assembled, *infra*, in appellant's separate motion to remand for further hearing.

As a key to the foregoing, at page 14 of its opinion this Court quotes from *Bates* v. *Coe,* 98 U. S. 31, 48, 25 L. ed. 68. Inasmuch as this is the only quotation from any decision included in this Court's opinion on this determinative issue, we here repeat the presumably vital pronouncement:

> "Where the thing patented is an entirety, consisting of a single device or combination of old elements, incapable of division or separate use, the respondent

> cannot escape the charge of infringement by alleging or proving that a part of the entire thing is found in one prior patent or printed publication or machine, and another part in another prior exhibit, and still another part in a third one, and from the three or any greater number of such exhibits draw the conclusion that the patentee is not the original and first inventor of the patented improvement."

The foregoing decision in *Bates* v. *Coe* declares that where the thing patented is an entirety, consisting of a single device *which is incapable of division or separate use,* the defendant cannot combine patents to anticipate the patent in suit.

We submit that the foregoing crucial portion of the decision of this Court is based upon a misconception of the structures involved in this case, particularly appellant's structures to which the opinion is applied.

Defendant's economizer and heater structure are *not* a single device "incapable of division or separate use." On the contrary, defendant's structures are made in separate units which are installed separately, and one of the units may be used independently and without the other. We regret very much that we have not made this clear to the Court in our earlier briefs.

If the Honorable Court will turn to record page 803, it will be noted in the first sentence that appellant's economizer is a unit which is applied to any one of the several wall heater models sold by appellant. This economizer is a completely separate unit; and, as indicated in the in-

stallation instructions, it is installed separately, the installation being somewhat different in new houses than in old houses. In each instance, however, the economizer unit is installed by itself and separately, leaving space for the later insertion of a lower wall heater. On page 804 the economizer is shown fully installed and leaving an open space below into which the wall heater itself can be later inserted.

We fear also that we have not made clear to the Court that appellant's wall heater is *used* separately, without an economizer, in any room which does not require extra heat, and that the use of such a gas fired wall heater by itself is not charged to infringe. It is not charged to infringe for two reasons: (1) the lower heater structure is not used with an economizer unit, and (2) this structure was old and in use long before the Holly patent was applied for.

There is no controversy about the fact that appellant's wall heater (without the economizer unit) was on the market and in use long before the Holly patent was applied for, and this is acknowledged to be prior art. Appellant's early gas fired wall heater, known as the Coleman No. 60, was substantially the same as the wall heaters considered in this suit. In other words, this old prior use gas-fired heater (No. 60) of appellant had a lower box equipped with the combustion box of a gas burner, and air was admitted through a lower grill and discharged through an upper grill. The box was spaced from the wall, and air flowed upwardly around the box and then escaped around the flue into the attic (R. 320-324; R. 159-60).

The advance attributed to the Holly patent on page 23 of this Court's decision, as quoted above, is completely descriptive of appellant's old gas fired wall heater acknowledged as prior art to the Holly patent.

Since appellant does not employ a single compact device which is incapable of division or separate use, but, instead, employs a separate wall heater, and installs its heater and its economizer box separately, it is submitted that the decision in *Bates* v. *Coe* is applicable in calling for a conclusion opposite to that reached by the Court. Appellant should be permitted under this decision to refer to a prior patent showing an independent economizer used with a heating device, and to employ such an economizer with its old gas fired wall heater where such economizer operates for its usual and expected purpose. As stated above, appellant sells its old gas fired wall heater alone for use in smaller rooms; and when more fuel must be burned to heat a larger space, appellant also sells a separate economizer unit which increases the amount of heat obtained from the lower structure by passing air in contact with the outlet flue. This is the old and expected purpose of an economizer.

After all, an economizer is a very simple structure. It consists, in the prior art, of nothing more than a tube or box open at its lower end to receive air, and enclosing a portion of the flue so as to bring the air in contact with the flue, thereby heating the air and cooling the flue, and with a single outlet near the top of the room through which the heated air is released into the room. When appellant wants additional heat, it should certainly be permitted to

use this well known expedient of the prior art for supplying such added heat by using an economizer box, like that shown in McLeod patent, upon appellant's old gas fired wall heater.

II.

Combining the Wall Heater and Economizer in a Compact Unitary Structure Is Not a Result Satisfying the Requirements of the A & P Decision

Combining the economizer with the gas fired heater into a compact unitary structure is a desirable feature but, under the decisions, this combination is a *structure* and not a *result.* The decisions unanimously hold that combining units into a unitary device is not patentable unless a new and unexpected result is shown. In other words, after the inventor has combined his devices into a new compact and unitary device, there still remains the problem of finding a new and unexpected result.

In *General Electric Co.* v. *Yost Electric Mfg. Co.,* 139 Fed. 568, 570 (C. C. A. 2d), the Court points out that constructing the lining in incandescent light sockets of a single piece, when theretofore such lining was made in two pieces, did not involve invention despite the fact that the one-piece device was cheaper and more durable and therefore very desirable, the Court stating:

> "Counsel for complainant, however, invokes the application of the rule that invention may be predicated upon the discharge of a new function, and he repeatedly asserts that the new one-piece construction did involve a new function. It is nowhere distinctly stated what this new function is, but from expressions found in

complainant's brief it would seem to be based on the fact that the lining being free from open seams prevented the wires from coming in electrical contact with the outer shell. This was not new, because the old one-piece lining effected the same result in the same way, the only difference being one of shape. It is not always clear what is meant by the use of this elastic and indefinite word 'function.' But it is thought that the assertion of a new function or effect should only be sustained upon proof of novel or unexpected properties or uses capable of producing novel results. Smith v. Goodyear Dental Vulcanite Co., 93 U. S. 486, 23 L. Ed. 952. We are not aware of any case where a claim for a new function has been sustained in the absence of such element of novelty or unexpectedness. We concur in the conclusion of the court below that such well-understood and obvious necessary effect of the elimination of joints as the prevention of electrical contact at the point where there was a joint is in no sense a new function or novel use, and cannot be invoked to sustain the broad claims of this patent, which merely covered the making in one piece from old material by means of an old process the old shape formerly made in two pieces, without thereby disclosing any new discovery or accomplishing any novel result."

We believe that the rule set out in the above decision governs devices such as present appellee's in which separate old units are combined into a single unit.

In *Heald* v. *Rice,* 104 U. S. 737, 755, 26 L. ed. 910, the Supreme Court held that the combination of an old boiler with an old furnace was not patentable, even though the combustion gases of the furnace passed through a channel

in the newly attached boiler to heat the same, because the combination of the two did not produce anything more than the aggregation of results obtained from the old devices which had at earlier periods been patented by other individuals.

In *U. S. Appliance Corp.* v. *Beauty Shop Supply Co.*, 121 F. 2d 149 (C. C. A. 9), Judge Wilbur, in writing the opinion of the Court, held that the combining of old elements of the art to form a single or one piece structure was not inventive, pointing out that it was old to form a structure from a plurality of pieces.

Again, in *United States Air Conditioning Corp.* v. *Governair Corp.*, 216 F. 2d 430 (C. C. A. 10), the Court reversed the trial judge's ruling that, with respect to a refrigeration device, the "compactness of the arrangements of the several elements in a single unit" (p. 432) represented patentable invention.

In all of the decisions it is made clear that the mere combining of old units into a new integrated structure is not in itself a new result. If the mere act of combining parts into a single unitary structure alone constituted a new result, there would be nothing further to consider. In each case, however, the Courts hold the mere act of combining units is not in itself a new result, and that, instead, such an accomplishment is not patentable unless a new and unexpected result is shown. This leaves us in the same position as before with the problem of determining whether, after combining the parts into a single unitary structure, the parts cooperate in such a way as to

produce a new and surprising result. Moreover, the A & P decision proclaims that this new and unexpected result must be affirmatively specified and demonstrated by appellee.

It should also be noted that the appellee herein has itself never advanced the suggestion that combining the economizer and heater into a single structure constitutes Holly's contribution. On the contrary, appellee has repudiated this suggestion. No charge of infringement is made with respect to the economizer and heater combinations of appellant when the air entering at the bottom of appellant's economizer does not originate in and flow from the wall space adjacent to the lower heating unit. And when defendant utilizes its lower heating unit with its upper economizer in the same casing structure, but employs a fan at the lower front economizer grill to reverse the flow of air therein — to draw air in from the ceiling of the room, sucking it down through the economizer and around the central flue whereby it becomes heated, and discharging it into the room at the bottom of the economizer — no charge of infringement is made, albeit the reversal of air passage through the economizer obviously has no bearing upon the compactness of the combination heater-economizer.

III.

The Structure Asserted by Appellee to Be Novel and Unique — Utilization by Its Upper Economizer of Air Entering It from the Top of Its Lower Gas Heater — Has Never Been Shown to Yield Any New or Unexpected Result As Required by the A & P Decision

The primary responsibility of demonstrating a new result within the requirements of the A & P case is upon plaintiff-appellee. Under the A & P principle, the district court should be compelled to specify any such result in clear and unmistakable terms. If any new and surprising result were demonstrated, assuredly it could be easily earmarked and described so that the reviewing tribunal could examine it, and so thenceforth the public could have before it an unambiguous description of such result as a means of determining infringement liability. Nor should this Honorable Court itself be obliged to ferret out from the voluminous record herein the nature of such requisite result.

What has instant appellee asserted regarding this vital factor? It will be borne in mind that, on the hotly contested issue of infringement, the sole and only controversy was whether or not appellant's economizer was designed and intended to receive its air *from the space around the lower wall furnace.* Appellant vigorously contended that its installation did not infringe the Holly patent *because* its economizer was designed to and in fact did secure all but an irrelevant miniscule of its air from the open room via a large grill provided for that very purpose in

the bottom, front face of its economizer, and that such insignificant amounts of air as accidentally entered its economizer through the small gap at its bottom performed no operative function. Appellee, on the other hand, insisted -- and introduced extensive tests and argument to establish — that appellant's economizer drew a material portion of its air from "up around the lower or primary heat exchanger" (Brief of Appellee, p. 10). "The only conflict of testimony" on the infringement issue pertained, as appellee itself insisted, to "the amount of this air" (Brief of Appellee, p. 11) which appellee asserted to be approximately 57 per cent of all air utilized by appellant's "4 foot" economizer and 23 per cent in the "3 foot" model. In fact, the so-called "Landsberg tests" were introduced by appellee for the sole purpose of demonstrating that appellant's economizer secured from 25 to 59 per cent of its air from the area surrounding its lower wall heater, *which constituted the asserted infringement,* rather than from the open grill on the front, bottom face of the economizer, *which was permissible and would have exonerated appellant from the infringement charge were that the sole source of air entering and employed by appellant's economizer* (e. g., see Appellee's Brief, p. 25). For a succinct statement by appellee itself as to the sole factual controversy between the instant litigants on the infringement issue — for, that is, a clear delineation between what does and what does not infringe appellee's invention — see page 45 of appellee's brief to this Court:

> "It should be pointed out that the only possible difference between the parties on the issue of infringe-

ment is whether the Coleman economizer is 'adapted to receive air flowing upward outside the first box and inside the wall' as claimed in the patent in suit."

We are not here attempting to reargue the infringement issue. However, the foregoing language is of critical importance on the related problem of invention now under consideration since it necessarily means that the only novel or unexpected result contended for appellee's combination, and the only feature thereof which appellant's heaters-and-economizers infringe allegedly upon, *is the source of the air entering appellant's economizer.*

To recapitulate for a moment, appellee does not contend that appellant's basic, *lower* wall heater infringes in any respect — although cold air at floor level is admitted at the bottom of appellant's lower heater, flows up and around the lower box drawing heat from the flue and heating unit (thereby protecting the walls from over heating and at the same time becoming heated air), and is discharged into the room through a grill at the top, front side of the heater. In short, appellant's lower heater receives the same air and performs with it the same functions employed by appellee's lower unit, but this is admittedly old art and does not represent infringement. Similarly, appellee concedes there is nothing novel about placing in the wall, above appellant's lower gas heater, a secondary heater or "economizer" — a mere box or enclosure surrounding the flue as it protrudes out of and runs on up beyond the top of the lower heater, into which box or enclosure air is introduced at one end and discharged into the room at its other end after having performed the dual

function of absorbing heat from the flue (thereby reducing wall temperature) and becoming heated itself so that, when discharged into the room via a grill at the upper end of the economizer, it assists in heating the interior of the room. In this connection we repeat, for purposes of vital emphasis, that when appellant's upper economizer is equipped with a fan at its lower, front grill so as to draw air into the economizer from the top of the room, suck it on down around the flue and down through the economizer where it absorbs heat, and then pulls that air on out into the room at the bottom, front side of the economizer, no infringement is claimed. Nor, as immediately hereinbefore pointed out, is infringement claimed with respect to an economizer which takes in room air at its *front*, bottom side, and thereafter handles that air precisely as does the Holly device, *provided none of the air entering the economizer comes from the space around the lower heater.*

In fine, appellee itself concedes the use of a wall installed gas heater combined with an attached upper economizer, which receives, utilizes, and discharges into the room air in the same manner as the Holly device, infringes the Holly invention if, *but only if,* the upper economizer admits and uses air *which originally comes up from around the lower wall heater.* By the same token, the "compactness" and "integrated" aspect of the Holly device is not and cannot possibly be the, or even "a", basis for sustaining its invention as novel or unexpected. On the contrary, the sole novelty claimed by appellee itself for its unitary device is the employment by its economizer of air drawn or received *from its lower heater.* The pat-

entability issue here involved therefore necessarily comes precisely to this: Wherein does air *originating from around the lower heating unit* have any unique value or produce any unexpected result when it is admitted to the upper economizer — as opposed, for example, to air drawn or admitted into the bottom of the upper economizer from the room at that level?

The record will be searched in vain for one iota of evidence supplying an answer to this decisive interrogatory.

The nearest approach to even a partial answer will be found, not in the testimony or proof, but in the conclusionary generalities contained in column 4 of the Holly patent (Ex. 1, R. 741):

> "By drawing the cold air up around the sides or back, or both, of the lower box, the neighboring wall surfaces are cooled and more fuel may be burned safely without attaining excessive lower wall temperatures. Hence, the heating capacity of the apparatus is increased. [N. B., that thus far the claim is confined exclusively to the use of such air *in the lower wall heater,* something appellant has always done in its wall heaters, and which, unless the same air is then *reused* in an upper economizer, is admittedly old art and non-infringement.] Moreover, the air for the upper heat exchange, because it is drawn from a low level has a lower temperature, so that the heat transfer from the upper radiator is increased. In this way the amount of heat imparted to the air passed through the upper box . . . is increased with a resulting improvement in over-all heating efficiency. Third, the

use of cold or low level air as feed to the secondary heat exchanger makes it possible safely to encase this secondary heat exchanger in a combustible wall. Fourth, the structure of the invention is such that the hotter air is brought out into the room at an intermediate level [i. e., at the front, top end of the lower heating unit — exactly as has always been done in appellant's gas wall heaters] while cooler but still warm air is introduced into the upper part of the room near the ceiling, thus reducing stratification and increasing air circulation in the room."

This, though, boils down merely to the bald assertion that the unique feature and novel result achieved by the Holly device *stems from the source of the air entering the upper economizer.* Wherein, though, is the utility of air from the specified source — from the space within the wall surrounding the casing of the lower wall heater — described or explained? *Wherein does that air differ from the room full of identical air available to any upper economizer at the level of the economizer's lower end?*

If the air utilized by appellee in its heater is capable of serving a unique function in its economizer — and perforce it must if appellee's own characterization of its device's novelty may be sustained — *what peculiar attributes are possessed by that particular type of air?* Bear in mind that we are not now discussing the value of cold, floor-level air *at the point where it enters the device at the bottom of the lower wall heater,* or its special utility *for use within and around the lower wall heater.* We are speaking, solely, of the alleged extraordinary quality of that same air after it has passed up from the floor through

the casing surrounding the lower wall heater, *and at the point where it then enters the bottom of the upper economizer.* Certainly the record affords no answer, clear (as required by the A & P case) or even implied, to this crucial problem.

As a matter of fact, this Court knows judicially that at the point in question — the bottom of the upper economizer — air entering the upper economizer after having risen from the floor level through the casing surrounding the lower wall heater can differ, if at all, from air admitted to the bottom of the economizer from the open room via a grill provided for that purpose in the front, bottom face of the economizer *only with respect to its temperature. Yet where in the record or even in the Holly patent itself can anyone determine the temperature of the Holly economizer-employed air at the entrance point in the economizer's bottom?* In this connection, note the summary of the Holly patent claim appearing on page 7 of this Court's opinion:

> "Cold air (at about 70 F) is likewise admitted to the device at floor level of the lower box (as above noted) and passes up on the wall side of the box to and into the top box containing the 'secondary heat exchanger.' This air passes alongside the upper radiator and is finally discharged into the room through the upper or '2nd stage warm air discharge' at which time the air has attained a temperature of 165 F."

Note that although the vital temperature, representing the supposedly novel and unique feature of the Holly de-

vice, is the temperature of the air *as it leaves the lower heating box casing and enters the upper economizer* or *"secondary heat exchanger"*, the claim fails to designate such temperature even generally. We are given exact temperatures of the air entering the *wall heater at floor level,* and exact temperatures of air discharged from the *top* of the upper economizer. But we are left to sheer speculation regarding the determinative fact, namely, the temperature of that lower air as it enters the *bottom* of the upper *economizer.*

Although appellee insists the unique feature of its device is the employment by its economizer of air which has first passed up through the casing surrounding its lower wall heater, undeniably it has failed utterly to demonstrate or even specify wherein that air can or does produce novel and unexpected results, or results either different or better than those obtainable from air introduced into an economizer from the room itself. Since appellee has not specificated this controlling point, perforce neither the trial court nor this Court can explain or has defined the unique and unexpected result the Holly device must achieve to satisfy the A & P decision. By the same token, appellee's patent discloses no patentable invention.

As a matter of fact, the sole evidence in the record dealing with this issue affirmatively demonstrates that room air provides precisely as utilitarian a function as air drawn into an economizer from the casing surrounding the lower wall heater. Thus, see the testimony commencing at page 398 of the record herein regarding tests con-

ducted with appellant's heater-and-economizer where the economizer bottom was completely sealed off, preventing the entrance of any air whatever from inside the wall space surrounding the lower heater. In these tests appellant's economizer, *employing only air drawn into its bottom, front side from the open room,* performed with precisely the same efficiency as when it utilized air entering from below. We cite this testimony not with any thought of insisting that this Court accept it as conclusive, but merely because it is the *only* evidence on this point, and also because appellee's attitude thereto is itself significant. In its brief to this Court, appellee excused its failure to perform comparable tests to demonstrate whether or not this lower air achieved any novel results in appellant's heater-economizer by stating:

> "[Appellant's complaint that appellee undertook no such tests] . . . amounts to a contention that plaintiff (in order to prove infringement) must test, not what defendant makes and sells, but something else which it does not make or sell." (p. 26)

This answer assuredly fails to discharge appellee's basic responsibility to demonstrate in some manner that economizers achieve unexpected and unusual results by employing air taken from the lower casing. If the A & P decision has any meaning, it must mean a patentee may not escape the obligation of demonstrating that a new and surprising result flows from his method of combining old devices.

CONCLUSION

We respectfully submit we have demonstrated herein that the cause should be remanded to the court below for further trial with regard to the effect upon appellee's patent of the prior Darby patent. We further submit that, in our petition for rehearing, we have demonstrated that this Court's opinion is explainable in part upon our failure heretofore to make clear the fact that appellant's heater and economizer are separate and distinct units, separately sold and installed, and that *Bates* v. *Coe, supra*, accordingly compels a precisely contrary result; that the mere compactness of the Holly device is insufficient to sustain the former decision herein; and, finally, that in any and all events the record is barren of anything to sustain a finding that Holly's wall heating device achieves new, unexpected, or patentable results by reason of the mere fact that its economizer utilizes air which has first passed up through the casing surrounding its lower heating unit — notwithstanding appellee's own insistence that the use by its economizer of air from this particular source represents the only supposedly unique feature of its heater-economizer combination, and that appellant is free to manufacture, sell, and install its own heaters-with-economizers if, but only if, its economizers draw their air from some source — *any* source — other than air which has first passed through the casing surrounding appellant's lower wall heater. Perforce the decision below and the original opinion of this Court contravene the requirements of the A & P case inasmuch as, the record being silent on the

point, neither has designated or described any peculiar or novel attribute possessed by the air introduced into the Holly economizer.

We therefore respectfully request that the cause be remanded for further trial below with respect to the Darby patent — and, if this Court deems it advisable that appellee be afforded a further opportunity to explain the allegedly unique attributes of the air it so jealously claims as the exclusive property of its economizer, for additional testimony with regard to that vital issue. In any event, we respectfully request a rehearing of this Court's original opinion.

Respectfully submitted,

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CERTIFICATE OF COUNSEL

The undersigned, one of the attorneys for defendant-appellant in the captioned case, hereby certifies:

1. That in his judgment the foregoing Motion to Remand for Further Trial and Petition for Rehearing are both well founded, and that they are not interposed by appellant for the purpose of vexation or delay.

2. That on May 8, 1956, he served three copies of the foregoing Motion and Petition upon James B. Christie, Esq., and Richard B. Hoegh, Esq., attorneys of record for plaintiff-appellee herein, by depositing the same in the United States mails, with sufficient prepaid postage attached, properly addressed to said attorneys at 595 East Colorado Street, Pasadena 1, California.

JOHN F. EBERHARDT